

July 8, 2019

Representative Kevin McCarthy
Minority Leader
United States House of Representatives
H-222, The Capitol
Washington, DC 20515

Dear Minority Leader McCarthy,

CRRC MA, a passenger rail car supplier headquartered in Boston, Massachusetts in 2014, has established two manufacturing facilities in the U.S. including a \$95 million investment in Springfield, MA, as well as, a \$40 million investment in Los Angeles, CA. CRRC MA has successfully fostered partnerships and built relationships with transit agencies across the country and has competitively pursued procurement opportunities challenging other well-known international competitors including Bombardier, Alstom, Kawasaki, and Siemens. Increased competition in the industry has been a direct benefit to transit agencies and riders as it triggers competitive pricing and leads agencies to strive to offer the most innovative technologies and better services.

As there is no manufacturer of transit vehicles based in the United States, CRRC MA competes for contracts against companies headquartered in Germany, France, Japan, and Canada for the right to provide the newest, most technologically advanced transit cars in the world.

In 2014, CRRC MA was awarded its first U.S. contract with Boston's Massachusetts Bay Transportation Authority (MBTA) to design and manufacture 404 orange and red line subway cars. Today, a 200 plus unionized workforce is underway building these cars at CRRC's 204,000 sq. ft. manufacturing facility in Springfield, MA. In addition, CRRC MA has secured rail car contracts in Philadelphia and Los Angeles, stimulating further employment opportunities and economic development for those communities. CRRC MA is proud to have been selected to deliver next generation rail cars to major transit agencies across the United States as there are a host of factors that the procuring transit agencies considers, and scores.

Progress continues with execution of CRRC MA's awarded contracts yet misinformation relating to our products and services in the press and in Washington, D.C. remains a distraction causing unnecessary public concern and confusion. From claims of CRRC's movement into the freight industry to the corporation's adherence to Buy America requirements to the continuing charges that CRRC MA poses a threat to the security and well-being of the traveling public. These exaggerated, untrue claims causing additional turmoil need to be addressed.

CRRC is dedicated to providing customized passenger rail car products that improve efficiency and optimize service for the transit agencies it serves and remains focused on sharing its technology and manufacturing capabilities with other transit agencies. The reason for CRRC to enter the U.S market is to introduce more vehicle choices for transit agencies and to provide safe, reliable, green, comfortable and convenient transportation for the American public. CRRC is not targeting the freight rail manufacturing sector and has no interest in that business.

Being that there are no US railcar manufacturers, US transit agencies must procure their public transit vehicles from international manufacturers in accordance with applicable federal and/or state “Buy America” regulations. These procurements are competitively bid strictly following applicable federal procurement guidelines. CRRC MA complies with all Buy America and technical requirements and has successfully passed Buy America pre-award audits for all its awarded US transit contracts by the same auditors that examine other railcar manufacturers. There is no difference in the domestic content of materials between CRRC MA’s projects and any other federally funded U.S. transit procurements. 60% of components used to manufacture transit vehicles for Boston’s MBTA and 65% for Los Angeles Metro are sourced from more than 50 U.S. suppliers in 20 states.

CRRC MA understands that the public transportation infrastructure world-wide calls for advanced cybersecurity measures and safety management. CRRC MA is committed to the security of the U.S. transit systems, supporting the adoption of more stringent procedures, and supports taking proactive steps to build cyber resiliency against cyber threats.

CRRC MA is committed to transparency and is a willing partner with the transit industry to ensure cybersecurity protocols are adhered to and standardized. Focused on being part of the solution to improve cybersecurity practices, CRRC MA is currently coordinating a forum comprised of transit partners, transit manufacturers, cybersecurity experts, and major suppliers to discuss improving cybersecurity standards and management systems for passenger rail systems.

CRRC MA is no different than any other foreign railcar manufacturer competing in the United States. In competing for contracts, CRRC MA complies with all laws and requirements of the contracting transit agency as well as the applicable rules and regulations. Eliminating a competitor that is providing the newest technology does not serve the public interest, robs transit agencies of viable competition, and benefits legacy manufacturers.

Sincerely,



Jia Bo
CRRC MA President & Board Chairman

